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State of Utah

GOVERNOR'S OFFICE OF PLANNING AND BUDGET Resource Development Coordinating Committee

John A. Harja
Executive Director

M/023/071

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APR 08 2005
DIV. OF OIL, GAS & MINING

April 7, 2005

Tom Munson
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

SUBJECT: HiCal #1 Mine, M/023/071, Robert Steele Owner
Project No. 05-4997

Dear Mr. Munson:

The Resource Development Coordinating Committee (RDCC) has reviewed this proposal. State agencies comments as follows:

Department of Environmental Quality/Division of Water Quality

Before permitting development to proceed, conditions should be included within the permit as follows:

- A) Net erosion from the total comprehensive project shall not exceed 'tolerable' erosion rates as determined by USDA / NARCS for agricultural soils. Although the land is not in agricultural use, maintaining these standards will preserve and protect natural resource values of the soil and in the waters downslope of the project area.
- B) All sites disturbed by the project, including roads, drilling pads, storage and other areas shall be restored to appropriate species, variety, and density of vegetative cover when use of the site for hydrocarbon extraction is no longer pursued.
- C) No discharge or runoff of hydrocarbons shall be permitted or allowed which might enter waters of the state.
- D) A bond shall be established appropriate to insure compliance with these requirements.

Department of Environmental Quality/Division of Air Quality

The proposed project, the expansion of the HiCal #1 mine in Juab County from a small mining operation to a large mining operation, is subject to Utah Air Conservation Rule R307-205-5, Mining Activities, since fugitive dust emissions will be generated during mining activities. A permit, known as an Approval Order, is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A permit application, known as a Notice of Intent, should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt

Lake City, Utah, 84116, if any on-site crushing of stone occurs according to Utah Air Conservation Rule R307-400, Permits, Notice of Intent and Approval Order. A copy of the rules are found at www.rules.utah.gov/publicat/code/r307/r307.htm

Division of State History

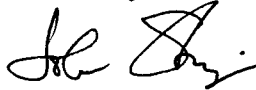
The Utah State Historic Preservation Office received the referenced information on March 14, 2005. After consideration of the consultation request in behalf of the Division of Oil, Gas and Mining, the Utah Preservation Office provides the following comments per U.A.C. 9-8-404.

Section 404 Consultation DOGM; USHPO recommends a determination of No Historic Properties Affected.

This information is provided on request to assist with state law responsibilities as specified in U.A.C. 9-8-404. If you have questions, please contact Wilson Martin at (801) 533-3552. My email address is: wmartin@utah.gov

The Committee appreciates the opportunity to review this proposal. Please direct any other written questions regarding this correspondence to the Resource Development Coordinating Committee at the above address or call Carolyn Wright at (801) 537-9230 or Kim Frost at (801) 538-7326.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Harja', with a stylized flourish at the end.

John Harja
Executive Director
Resource Development Coordinating Committee